Housing Policy and Slum Upgrading in Ho-Chi-Minh City

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ABSTRACT

The new liberal economic policy in Vietnam has had a negative effect on housing the poor. This paper reviews that housing policy and shows how it has been influenced by national economic development policy. A case study of a non-governmental organization-assisted slum up-grading project in a poor neighborhood of Ho-Chi-Minh City is used to illustrate the arguments. Although efforts were made to involve the community in the project, the centralized nature of the governmental and Communist Party structure made this nearly impossible. Although gender equality is guaranteed by the Vietnamese Constitution, evidence from the project shows the difficulty that exists in achieving it.

INTRODUCTION

The profile Vietnam presents today is that of an economy turned towards the market while the political system is still in the hands of the revolutionary party that led the war. The housing policy, in the context of what might be called a post-communist society, has been completely reversed to be in line with the new liberal economic policy. It is the aim of this paper to study how this new policy affects housing for the low-income population. It will analyze efforts of grass roots action to improve housing in the context of a country that is ‘socialist’ at least in name, market oriented in economics and hierarchically organized and authoritarian from a political point of view. The first part of this paper will present the political background and outline recent policies and projects of the government and then will discuss some inconsistencies of the system. The second part will analyze a project of slum upgrading and community development in this context in order to gain insight into the complexities of this type of action under authoritarian regimes.

In another work (Coit, 1990), I discussed the difficulty of grass roots action in the non-communist world, putting the emphasis on the importance of a ‘political will’ that supports these actions and a just distribution of resources. My intention here is to show that many of the same difficulties apply to the post communist societies as well, not to suggest that this type of society, alone, have difficulties in promoting them. What I have tried to show in that former paper was that the main problem is not in the design or the materials or the planning of the policies and programs but in the political question of how to redistribute the scarce resources. Without access to urban land, plentiful and cheap building materials and easy credit it is very...
difficult to produce low-cost housing. Access to these resources is a political question. It is my contention that the political aspect is not just one more parameter but a whole dimension and one that is often taboo to discuss. There are countless examples of policies which have been legally adopted but which, in practice, do not achieve the goals announced because of resistance coming from powerful sectors of the society.

Many studies on how to house low-income inhabitants decently have come to similar conclusions on the best strategies, believing that the poor themselves hold the answer; the NGOs, the International organizations such as UNCHS, UNICEF and UNESCO have promoted these strategies. Rather than directly providing shelter this approach believes that the government’s role should be one of ‘enabling’, which implies encouraging local community groups to become involved or take over the production or the rehabilitation of housing while the government supplies easy credit, tenure of land, the essential infrastructure, technical assistance and the legal support. In spite of this large consensus that a new approach must replace former practices, simple, well-tested programs have incredible difficulty in becoming general practice; and this is true in many different political contexts. This suggests that there exist major blockages that are not dealt with when systems of producing low-income housing are developed. The study of HCMC indicates that similar blockages exist in this specific context.

HOUSING POLICY IN HO-CI-MINH CITY

To try to describe the recent housing policy and practices in Ho-Chi-Minh City (HCMC) is somewhat like trying to describe what you see in a kaleidoscope. They are in perpetual movement, particularly the practices, which do not necessarily adhere to the policy.

The tumultuous history of Vietnam over the past 50 years has had a great impact on the urban development and housing in the cities. The wars of independence and the transformations the Vietnamese society has undergone under the communist regime have caused a growth of the urban population that is not adequately housed with a large minority that are very poorly housed.

In the 19th century as part of the French colony of Indochina, Vietnam was predominantly agricultural, as it had been throughout its history, with the great masses of the population living in rural villages. What cities there were, were built for the colonial administration, the military and the commercial sector. From 1945 to 1975 the wars against the French and the United States caused the rapid growth of the larger cities in the south and particularly HCMC (formerly Saigon) as refugees from the war-torn country side sought shelter there. Since then government policy has restricted rural urban migration in theory but, in practice, these restrictions have been unsuccessful. The policy of forced transplantation to the New Economic Zones has added to this migration with those fleeing these zones.

According to the 1992 census, the population of HCMC was then 4 399 641. This figure needs to be qualified, as the officially estimated number of illegal migrants is no doubt less than the real number because of the opposition of the government to migration. The rate of growth at that time was 3.85%. Thus, the official low estimate for 1997, given the same percentage growth, is 5.2 million. It should also be borne in mind that the administrative limits of HCMC extend into the countryside in the suburban and peri-urban areas, thus these statistics include a large agglomeration and even some areas that would normally be considered as rural.

HCMC is the main commercial and industrial center of Vietnam. In 1992 it produced 18.9% of the total production of the country, 30.9% of the industrial production, 19.5% of the building, 25.8% of transportation, 78% of telecommunications and 50.2% of the import–export business. It produced 16.6% of the
revenues of the population, but only had 6.3% of the total number of inhabitants of the country (Desbonoit, 1995).

The urban administration in Vietnam is both highly centralized in one sense and yet decentralized in another. The government in Hanoi is responsible for the laws and decrees that make up the urban policy and the housing policy. The state is the main source of local government finance as well. On the other hand, the ‘Peoples Councils’ (with the role of a city council) of the cities and towns have a certain autonomy concerning urban planning and development and, of course, administrate the local government. The reform of housing policy in 1986 has accentuated the independence and the power of the local authorities. In HCMC the 18 districts, both urban and rural, also have ‘Peoples Committees’ and a certain independence from the city in planning and implementing programs. They have their own budget; they can deliver some building permits, they have their own construction companies and they often act as developer. There are even sub-district ‘People's Committees' that are responsible to the District. The sub-district, or phuong do not have their own budget but they work closely with the local police and organize the social services. Beyond this administrative structure there is the Communist Party, the single party of the country, whose organization shadows that of the administration at all levels and which has a unifying influence on policy. There are also the ‘Mass Movements’, an emanation of the Party, who are closer to the people, particularly the Youth Organization and the Women's Union. The Communist Party, the ‘Peoples' Committees and the leaders of the ‘Mass Movements’ are the official representatives of the people. Until very recently, there has been no place in the Vietnamese society for other spontaneous grass roots movements other than those linked to the state or party organs.

Grass roots organization in a hierarchical structure

Twenty years in the south and 40 years in the north of a regime which claimed to represent the people but that has an extremely hierarchical organization with mass organizations and ‘People's Committees’ at all levels even the sub-district makes grass roots organizing difficult. Even if there is much less fear and a greater freedom of expression today, the years when conformity to the communist dogma was essential and any kind of private initiative was unthinkable are not far away and inhibit popular movements. Moreover, there is the likelihood of constant rivalry between the local ‘People's Committee’, or the leaders of the Mass Organization, and any (implausible) spontaneous organization should it come into being.

The situation, however, is not that simple. To dispel some false notions about the power of the state in Vietnam, it may be helpful to look at the way public services and civil servants function and to examine the relation between the state and civil society. Since the Soviet Union ceased to help fund the Vietnamese government, it has cut down its support of local governments. The lack of public finance and the very low salaries paid to civil servants has caused the different city departments and institutes to turn to other sources for revenues. They have created joint ventures with foreign companies and have sold the services of their departments as private consultants and individually the civil servants contract private work. Other public services do likewise. This Vietnamese style moonlighting is done quite openly and occurs at all levels of the administration. For instance, teachers in a public technical school teach in the morning and use the school building and the equipment in the afternoon to build refrigerators, which they sell to supplement their meager salaries. These practices suggest that the state and the municipality have a rather loose control over their agents. It is argued by Fforde and Porter that far from being a powerful monolithic state in many real instances the dichotomy between the State
and the Civil Society are blurred as is the relationship between state and non-state activities (1994) (p. 21). They claim that at all levels of the hierarchy there have been ‘zones of contest’ in Vietnam within the institutions of the state, including the mass organizations close to the population, and that there was ‘rather successful resistance by the population (cadres included) to unwanted or undesired implications of blind obedience to central dogma’ This view suggests that there is some scope for institutional innovation (Florde and Porter, 1994) (p. 16). What many have noticed when working with local authorities or Mass Organizations is that the attitudes towards change vary depending on whom you work with. What this implies for grass roots movements and for NGOs working towards community development is that the way these movements are treated changes drastically from one place to the next. Developing alternative approaches is difficult but not impossible when one has found receptive partners.

Equality of the sexes

If one of the hindrances to fostering community-based organizations is a hierarchical society, another is a male dominated society. Women play a key role in the family and need to have an equal role in decision-making concerning the house, the neighborhood and social services for effective community development. In traditional Vietnamese society as in other Asian countries influenced by Confucius, women were totally dependent on men. They had no right to citizenship and ‘owed unconditional obedience’ first to father, then to husband and then to oldest son (Tran Thi Que, 1996) (p. 187). When the Communists took over they attempted to bring about equality between men and women. It was one of the principles of the Vietnamese Declaration of Independence of 1945. In each new version of the Constitution there are provisions for gender equality. The 1986 Law on Marriage and Family says that wives are equal to their husbands and that a couple should have joint responsibility for household chores and childcare. Even though these laws are frequently ignored or violated, and in spite of the clear social division of labor much progress has been made under the communists. Women hold positions of authority and are beginning to enter previously all male jobs.

The housing policy of socialist Vietnam

In southern Vietnam, from the reunification to the north in 1975 until 1986, the centralized Communist government administered the policy it had modeled on that of the Soviet Union. The government took on the responsibility for providing housing for those working for the state, (the civil servants, and workers as, in principle, the state owned industry) by taking over some housing and by building high rise or row houses. Some 100,000 housing units were distributed to these categories, 12,000 units were built to be distributed to other beneficiaries of the government housing policy, such as the war heroes, veterans and their children. (It is not stated but being a member of the Party, no doubt, is essential to be able to benefit from this program.) In HCMC 16.6% of the housing was state owned in 1990 (Dung, 1995). The rent, if any, charged for this public housing is way below the cost of upkeep (from 1% to 3% of income) and the buildings are not well maintained.

However, after 1986, under the new liberal policy, the government has ceased trying to provide housing. It was clear that it was not able to make available a sufficient supply of housing for the majority of the low-income urban population that does not fall into these categories. The official estimate is that there are 67,000 slum houses. Furthermore, the population density is very high, as high as 87,000 people per km$^2$ in some areas. The average space per inhabitant is 5.8 m$^2$. 
Rather than upgrading these slums the policy has been that of total renovation, to transform these areas into business and commercial centers and in the process to uproot the poor and to relegate them to the more undesirable and remote areas of the city. In a program of slum clearance 5000 slum houses were destroyed and 6000 families were re-housed on ‘new economic waste land.’ on the outskirts (Dung, 1995) (p. 1). Many of them moved back into other slums in the center. In any case, the problem was growing faster than it was being solved since the urban population was swelling much more rapidly than the production of housing. The slums and shanty towns continue to grow anywhere the poor can manage to build a shack, in the swampy areas of the city, in the cemeteries, on stilts over the rivers and canals.

In this socialist country land cannot be privately owned but while it is officially the collective property of the people of Vietnam, the right to use the land, and the right to build on it, gradually has been treated as property. This right is now sold and can be inherited. In practice, this system of nationalization of the land has had an unanticipated result: because of the lack of laws or regulations on expropriation or eminent domain the municipality or the public agent has either to negotiate or use its authority over those with the rights to the land and in either case is supposed to compensate at a market price those expropriated (Desbenoit, 1995) (p. 35).

In 1995, Trinh Huy Thuc, of the Public Building and Housing Development Bureau of the Ministry of Construction (1995), referring to the housing policy by which the people housed themselves ‘according to their capacity and their needs’, admitted that ‘The experiences since 1991 (after the promulgation of the housing ordinance of the Government) have shown that:

- The houses of high-income (or medium income) groups have been improved both in terms of area and in equipment. It is predicted that this group will account for 15–20% of the population by the year 2010.
- About 30% of the people are able to improve their living conditions by repairing and renovating houses of their own or renting houses.
- About 50% belong to the low-income group with great difficulties in increasing living standards through housing improvement. Among them 10–15% have problems paying rent, let alone construction of a new ‘house’.

The new policy has, in fact, allowed the well-off to build or improve their housing. It may have some trickle down results for the middle classes. It has not made much of a dent in the enormous problem of the run-down areas and the slums where the 50% of the low-income group live since the programs were not coupled with the financial resources to carry them out. In many cases these programs remain wishful thinking and at times when carried out they have not had the results planned. The policy of the creation of new sites on the outskirts has run into difficulties, as the population allotted plots tends to return to the center. The funds provided for slum removal have not been anywhere near sufficient to allow the targets to be met; furthermore, this policy has as a consequence the uprooting of whole communities, thus the impoverishment of the poor and probably the creation of new slums rather than their elimination. Very few new housing units have been built and even fewer renovated with public funds.

**BOTTOM UP SLUM UPGRADE UNDER AUTHORITARIAN REGIMES**

This case study concerns a slum-upgrading project in HCMC, Quan 4, Phuong 14. The project was financed by the Technical Unit Asia of the European Union and was carried out by a team from the ARCI, a small Paris-based NGO and a Vietnamese team hired locally.
The main goal of the project was to create an example of slum upgrading in which the local population concerned would not be relocated but instead would be part of the upgrading process. This type of project was not common in HCMC as we have seen, generally in slum upgrading projects the population is removed and the area is cleared for modern buildings. However, experience in other countries has shown that slum clearance of this type rarely solves the problem of the low-income slum dwellers, as they cannot afford the new housing. Even if they are given subsidies to obtain the new homes they tend to sell their right to it and resettle in other slum areas, thereby creating the same problem elsewhere that the project aimed at solving.

This project aimed at starting a process of incremental upgrading in a very run down area in the hope that it would be a model for other government slum upgrading projects. It planned: (1) a major improvement of infrastructure: sewers, cemented footpaths, improved water supply and electricity; (2) to keep the population on site, and to involve them in the process of upgrading the area with loans for improving their homes and building septic tanks; and (3) to give them opportunities for revenue generating loans and vocational training.

The project originated at the request of a member of the People's Committee of HCMC. The choice of the site (an area of Quan 4, Phuong 14) came from the city and from District 4 (Quan 4) which requested the People's Committee of sub-district 14 (Phuong 14) in which it was situated to work closely with the NGO and the Vietnamese social workers who were the representatives of the NGO.

The site was an area of 7200 m$^2$ with a population of 900 people living in 150 households in Phuong 14 (a sub-district which has approximately 13,000 inhabitants). Forty-six percent of the population lived in dilapidated houses built of rusty galvanized iron, old wooden planks, cardboard and plastic with roofs sometimes made of banana leaf thatch. There was much overcrowding, with half the population having less than 4 m$^2$ of living space. Only 30% of the population had toilets with septic tanks. Many used 'latrines' that emptied directly into the stagnant ponds and ditches which overflowed into the streets and homes during the rainy season. Some houses had no cement floor and were muddy most of the time. As for electric power, 71% were not hooked up legally to the power lines. The first study by the social workers showed that 86% of the population was poor and that 40% were, in fact, extremely poor. The social context was also a difficult. The zone had the reputation of harboring thieves, prostitutes, gamblers and drug addicts and drug dealers.

The project successfully upgraded the neighborhood making it a much more healthy and attractive place to live without displacing the people. It was not as successful in community development both because of the reticence of the population and the attitude of the local authorities. Furthermore, the municipality never recognized it as a serious alternative method for upgrading slums even though it did just this at a much lower cost than the classical eviction, destruction and rebuilding. It is instructive to try to understand the lack of success in these two areas.

With respect to community participation, it was never openly recognized but from the beginning there were two competing ideas of what approach to follow: that of the NGO, which believed in grass roots participation, and that of the local People's Committee, which had never used any other approach than a 'top down' one, that is with the ideas and decisions coming from the authorities or leaders. The Vietnamese staff working for the NGO had some training in organizing participation at the local level but very little actual experience. They were frustrated in their efforts at grass root organizing because the population was not easily convinced that they would be able to make decisions, used as they were to having decisions made for them. The staff did succeed in getting the population to decide upon the
general priorities for improving the area. However, the inhabitants were called to meetings by the Peoples Committee not to discuss the project nor to find out their ideas and how they could participate, but to be told what was going to happen. This did not make popular participation easy in planning the infrastructure work and the relocation of 13 houses.

The credit program implied a certain participation of the participants. However, cooperation with the leader of the local women’s Union was necessary and her methods tended to be directive. The local police was also involved to insure that loans were not made to known (or suspected?) crooks. Loans were made to small groups (4-7 women usually) of the inhabitants who had been able to show their credit worthiness by making savings for a month. The groups were collectively responsible for the loans that were to be made for income generating purposes or for home improvement. Twenty-seven credit groups with an average of five members each were organized. Each group has a group leader and a second person responsible for keeping the key of the box where the money is kept. Money is loaned for income generating purposes at a rate of 2% per month or for upgrading the housing at 1% per month. The local committee made this decision since the housing loan does not generate income and it is the practice locally. The credit groups are co-responsible for the repayment of the loans. Before they can borrow they must show they are capable of repayment by saving money for one month. A large majority of the groups were organized by the women of the households. Ten credit groups were established for women to develop tiny informal businesses (to sell goods in the market, to open a ‘restaurant’ sell soup etc.), eleven credit groups have loans for upgrading their homes, five obtained them to buy revenue producing equipment (‘cyclo-pousses’, motor bikes used as taxis, etc.) One group borrowed money to install electricity and a meter in their homes. Four loans were made to small units of production in the area: shoe making, jam making, embroidery. The difficulty of this program has been in screening the candidates in this area that was known for its criminals, drug addicts, prostitutes and heavy gambling. The program was criticized for loaning to the not so poor. More risks might have been taken had there been more participation in the selection of candidates but in this case there might have been more of a problem recuperating the funds.

When the NGO’s project was completed the credit program was handed over to a local steering committee, chosen in reality by the local People’s Committee and responsible to them. It has been in charge of overseeing how the loans are repaid and to whom new loans are made. This element of the project came closer than any to organizing the community and encouraging the people to take initiatives even though under the tutelage of the authorities.

If one looks at the project with gender in mind it becomes quite clear that, in spite of good intentions for equality between the sexes, the women did not have an equal role. There were many fewer women in the local people’s committee with roles of any importance; none of the technicians we worked with were women. There was a large majority of women in the credit program but a man took over the running of the program when the NGO withdrew. Four out of five of the teachers of the Love school were women but the school was shut down when the NGO left. In the training program none of the trainees in masonry or woodwork were women. This situation reflects that of the Vietnamese society which has not been able to overcome pre-communist attitudes towards women.

It is not possible to know the real reasons for the resistance to community participation or even to what extent the authorities counteracted it. Nor is it easy to explain why some elements of the project worked very well and other were blocked. Questions can be raised concerning motives. For instance, how were the private interest of the leaders of the community affected by the project and what would cause them to hinder community organizing?
CONCLUSIONS

As we saw above the possibility to introduce innovative actions in Vietnam depends a great deal on the partner one works with. In this case of slum upgrading the partner was chosen by the municipality because of the insalubrity of the area and not because they were candidates for an experiment in an alternative approach to slum improvement. A future project would be wise to choose partners from the People’s Committees or the Mass Organizations who are open to participatory methods, who themselves request help in this area and who accept an apprenticeship in these methods.

The new urban policy tends to disapprove of slum upgrading. In HCMC one indication of this is the replacement of the officials who are more in favor of this type of action with those less favorable. It would seem that most members of the Peoples’ Committee of HCMC have another agenda in mind more related to transforming their city into another Hong Kong or Singapore. The major thrust of this new policy is to attract foreign capital for developing international trade and business centers. Housing the thousands of poorly housed is not a major concern except as part of a strategy to reclaim the center city for business and the middle and upper classes. Maintaining and upgrading slum areas is not part of their agenda. Here, as in other less developed countries or developed countries, the right of the poor to housing is related to political will and to how scarce resources are to be distributed.

REFERENCES


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